

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SCI-06 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 SAM-01 FEA-02 CIEP-02 INT-08

TRSE-00 OMB-01 DRC-01 NEA-11 CEA-02 COME-00 FPC-01

AEC-11 STR-08 /168 W

----- 124522

R 111715Z FEB 74

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 9882

INFO AMEMBASSY BONN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

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STATE FOR T/IEP

E.O. 11652 NA

TAGS: ENRG, BE

SUBJECT: ENERGY: INTERNAL DEVELOPMENTS BELGIAN PETROLEUM
INDUSTRY

REF: BRUSSELS 704

1. AS REPORTED BRUSSELS 878, GOB LIFTED IN LATE JANUARY
EXPORT RESTRICTIONS IT HAD PLACED ON EXPORTS OF REFINED
PETROLEUM PRODUCTS. RESTRICTIONS HAD BEEN PLACED DURING
FIRST WEEK OF JANUARY, APPARENTLY TO PROTECT
SUPPLIES OF PRODUCT FOR SMALLER RETAIL PETROLEUM DEALER,
BUT HAD NEVER BEEN PUBLICLY ANNOUNCED. MEANWHILE, GOB
REFUSAL TO INCREASE RETAIL PRICES (BRUSSELS 704)
DESPITE INCREASE IN CRUDE PETROLEUM PRICES COULD
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RESULT IN LOCAL PETROLEUM SHORTAGE AS MAJOR

COMPANIES ARE THREATENING TO CUTBACK CRUDE DELIVERIES TO BELGIUM.

2. MAJOR PETROLEUM COMPANIES MET WITH GOB OFFICIALS (THIS TIME GROUP OF MINISTERS) AGAIN FEBRUARY 8 TO DISCUSS THEIR REQUEST FOR A RETAIL PRICE INCREASE FOR PETROLEUM PRODUCTS. MINISTERS REFUSED BUT PROMISED TO REVIEW REQUEST AGAIN AT NEXT WEEK'S REGULAR MEETING OF THE CABINET COMMITTEE ON ECONOMIC AND SOCIAL AFFAIRS FOR FINAL DECISION BY FULL CABINET AT ITS REGULAR FRIDAY MEETING.

3. ACCORDING TO HEAD OF AMERICAN COMPANY, SOCIALIST PARTY IN PARTICULAR DEAD SET AGAINST AUTHORIZING ANY INCREASE AND IN VIEW OF UPCOMING ELECTIONS NO ONE IS PREPARED TO COME OUT IN FAVOR OF AN INCREASE. MEANWHILE, AGAIN, ACCORDING TO OUR SOURCE, TWO OF THE MAJOR COMPANIES HAVE OFFICIALLY NOTIFIED THE GOB THAT THEY ARE CUTTING BACK ON CRUDE DELIVERIES TO BELGIUM. THE OTHER MAJOR COMPANIES ARE THREATENING TO DO THE SAME IF A PRICE INCREASE IS NOT GRANTED.

4. IF IN FACT THE MAJOR COMPANIES DO CUT BACK ON CRUDE DELIVERIES, BELGIUM WOULD SOON FACE A PETROLEUM SHORTAGE. THE GOVERNMENT WOULD THEN PROBABLY REINSTATE EXPORT RESTRICTIONS WHICH COULD RESULT IN THE COMPANIES FURTHER CUTTING BACK CRUDE DELIVERIES. THE ISSUE MAY BECOME QUITE EMOTIONAL IN THE CONTEXT OF ELECTIONS, PARTICULARLY SINCE THE FALL OF THE GOVERNMENT WAS ASCRIBED BY SOCIALISTS TO THE LIBERAL AND CATHOLIC PARTIES REFUSAL TO SUPPORT THE PROPOSAL FOR A JOINT BELGIAN-IRANIAN PETROLEUM REFINERY. STRAUSS-HUPE

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Message Attributes

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30 JUN 2005

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